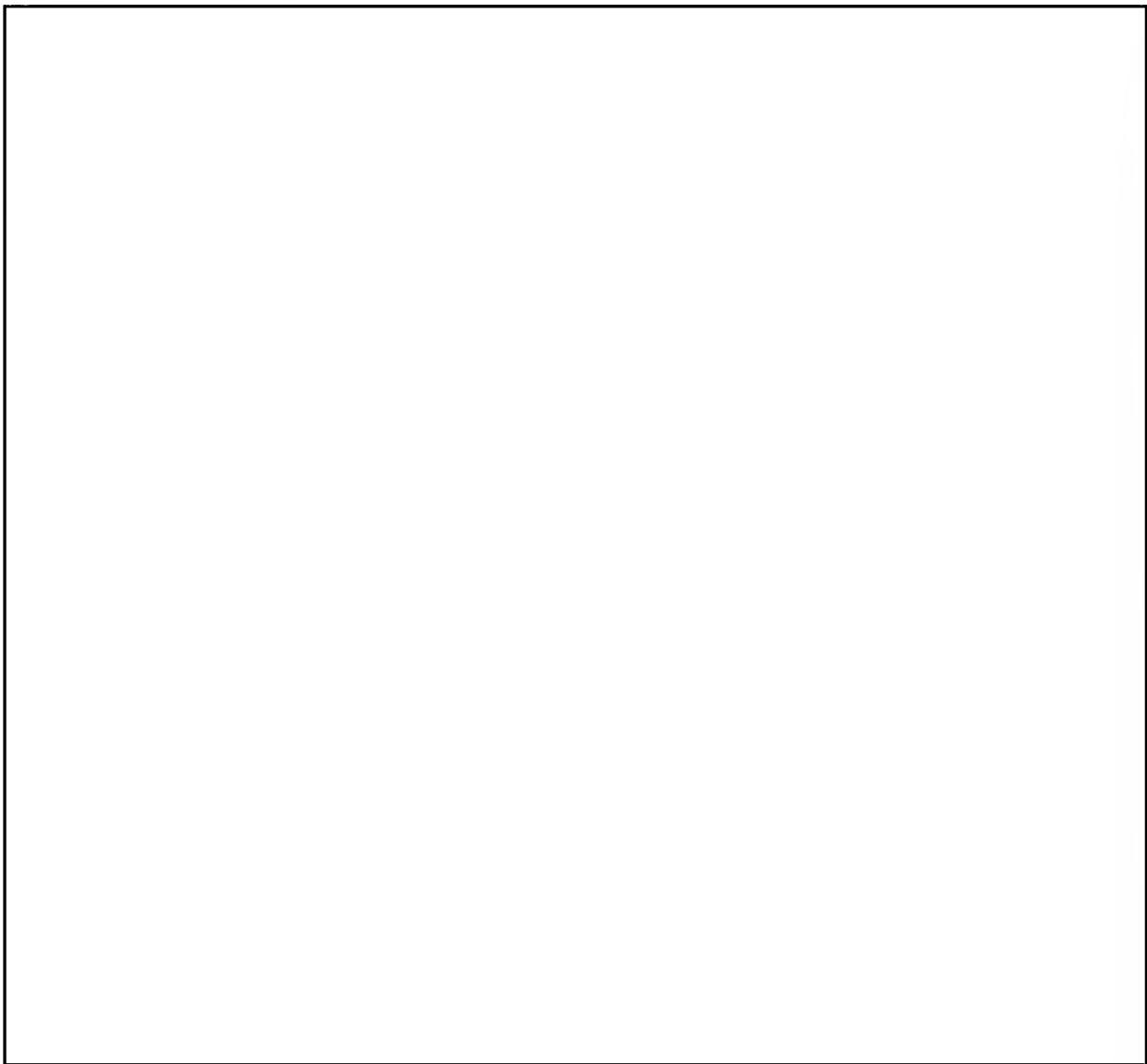


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HEARING  
BEFORE THE  
**COMMITTEE ON UN-AMERICAN ACTIVITIES**  
**HOUSE OF REPRESENTATIVES**  
EIGHTY-SECOND CONGRESS  
SECOND SESSION

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OCTOBER 13, 1952

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## TESTIMONY OF GEN. WALTER BEDELL SMITH

MONDAY, OCTOBER 13, 1952

UNITED STATES HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE OF THE COMMITTEE  
ON UN-AMERICAN ACTIVITIES,  
*Philadelphia, Pa.*

### PUBLIC HEARING

#### COMMITTEE ON UN-AMERICAN ACTIVITIES

##### UNITED STATES HOUSE OF REPRESENTATIVES

JOHN S. WOOD, Georgia, *Chairman*

FRANCIS E. WALTER, Pennsylvania HAROLD H. VELDE, Illinois  
MORGAN M. MOULDER, Missouri BERNARD W. KEARNEY, New York  
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FRANK S. TAVENNER, Jr., *Counsel*

LOUIS J. RUSSELL, *Senior Investigator*  
JOHN W. CARRINGTON, *Clerk of Committee*  
RAPHAEL I. NIXON, *Director of Research*

II

The subcommittee of the Committee on Un-American Activities met, pursuant to notice, at 10 a.m., in Federal Courtroom No. 1, 1st floor, General Building, Philadelphia, Pa., Hon. John S. Wood (chairman) presiding.

Committee members present: Representative John S. Wood (chairman), Francis E. Walter, Clyde Doyle, and Harold H. Velde.

Staff members present: Frank S. Tavenner, Jr., counsel; The Hon. W. Beale, Sr., assistant counsel; Alvin Stokes, William Jackson, Earl L. Fuoss, and Frank Bonora, investigators; Raphael I. Nixon, director of research; John W. Carrington, clerk; and Thelma See, secretary.

Mr. WOOD. The hearing will be in order.

Mr. Reporter, let the record show that acting under the authority of the resolution establishing the House Committee on Un-American Activities, I have set up a subcommittee composed of Representatives Francis E. Walter, Clyde Doyle, Harold H. Velde, and myself, Hon. John S. Wood, as chairman, all of whom are present, and for the purpose of conducting hearings beginning today, relating to the extent, nature, and objectives of alleged Communist Party activities in vital defense area.

(Before hearing testimony of witnesses on the subject of communism in the Philadelphia area, the subcommittee gave its attention to another phase of its inquiry.)

Please call the witness who was directed to be subpoenaed for his action of the committee while in session in California.

Mr. TAVENNER. Yes, sir.

Gen. Walter B. Smith, please.

Mr. WOOD. General Smith, will you raise your right hand and swear, please, sir?

Do you solemnly swear the evidence you shall give this subcommittee shall be the truth, the whole truth and nothing but the truth, so help you God?

General SMITH. I do.

Mr. WOOD. Will you have a seat, please?

I shall ask the photographers who desire to take pictures of the witness, if he has no objection, to do so before he begins his testimony, so that the testimony shall not be interfered with.

**TESTIMONY OF GEN. WALTER B. SMITH, DIRECTOR OF CENTRAL INTELLIGENCE AGENCY**

Mr. TAVENNER. Mr. Chairman, I think that I should make it clear that General Smith is being called not because of any connection that he may have or any knowledge that he may have of conditions in Philadelphia. He is being called here at this time merely as a matter of convenience to the committee and as a result of action previously taken by the committee regarding an entirely different matter from that which is under inquiry here.

Will you state your full name, please sir?

General SMITH. Walter B. Smith, general, United States Army.

Mr. TAVENNER. When and where were you born, General Smith?

General SMITH. Indianapolis, Ind., October 5, 1895.

Mr. TAVENNER. Will you state to the committee, please, in a general way, what your scholastic training has been?

General SMITH. I am a graduate of the parochial schools of Indianapolis, manual training high school, and I have had a year of college, graduate of the Infantry School, Command and General Staff School, the Army War College.

Mr. TAVENNER. What is your Army rank?

General SMITH. General.

Mr. TAVENNER. I do not think it necessary, Mr. Chairman, to go through all of the various important positions that General Smith has occupied in the United States Army. That is well known and his distinguished career need not, I think, be attempted to be narrated here. I would like to ask you, however, what positions of a civil nature you have held since 1945.

General SMITH. Assistant Chief—since 1945—Ambassador to the Soviet Union, and Director of Central Intelligence.

Mr. TAVENNER. When did you become Ambassador?

General SMITH. Early in 1946, and I remained so until 1949, 3 years.

Mr. TAVENNER. When were you appointed Director of the Central Intelligence Agency?

General SMITH. Two years ago.

Mr. TAVENNER. That would be from approximately October of 1950?

General SMITH. October 7, 1950.

Mr. TAVENNER. General Smith, during the course of hearings being conducted by the Committee on Un-American Activities in Los Angeles, the latter part of September, a notice appeared in the newspapers relating to testimony alleged to have been given by you in the course of a hearing in a civil case. The effect of this statement which appeared in the press in Los Angeles was that practically every security organization of the Government had been infiltrated by Communists, according to your alleged testimony.

The committee immediately caused a subpoena to be issued requesting your appearance here today because this is the first opportunity that it has had to meet since completing the hearings in California, for the purpose of inquiring of you what the basis was for your testimony.

Now, after returning to Washington from California, we have secured by subpoena a copy of the transcript of the testimony which was the subject of this matter,<sup>1</sup> and I think that I should read the pertinent part of that testimony before asking any further questions.

You were asked this question [reading]:

You worked, did you not, during the time you were Ambassador to Moscow as an officer of our State Department?

Answer. I did.

Question. Don't you know as a fact that in 1947 the State Department was infiltrated with Communists?

Answer. I do not.

Question. Would you agree in the period of General Marshall's administration with the accuracy of this statement?

Page 55 of the deposition of Senator Benton, and his testimony is quoted as follows [reading]:

I know there were Communists in the State Department—and then the question:

Do you agree that that is a correct statement?

Answer. I would.

Question. You would or wouldn't?

Answer. I would agree that it is a correct statement.

Question. So that you believe with the Senator that there were Communists in the State Department of the United States?

Answer. I do. I do. I believe there are Communists in my own organization.

Mr. WALTER. I think right there, Mr. Tavenner, it might be pertinent to ascertain why the general volunteered this after answering the question:

I believe there are Communists in my own organization.

What is the basis of that conclusion, General?

General SMITH. In the first place, had I left the answer stand as it was, I remember this was testimony given under oath in reply to cross-examination, and the implication would have been that I believed that there were Communists in the State Department; that it had been riddled with Communists. I don't so believe. There have been two to my knowledge. I don't need to elaborate on the case of Mr. Alger Hiss, as being well-known to all of you. I also am aware or have been informed that about 5 years ago an individual in a very minor position in the State Department was identified as a Communist, and was quietly disposed of, and his case is still under investigation.

That is two. That is the score as far as I know of it. It is plural, Communists.

Mr. WALTER. I am not talking about that. I am talking about the further answer: "I do." And then you went on and volunteered:

I believe there are Communists in my own organization.

General SMITH. I do, but I cannot elaborate on those reasons in open session.

Mr. WALTER. You have screened everybody in your organization; have you not?

General SMITH. We have, indeed; as I did elaborate further to the press, I have found nobody, no Communists or no penetrations in my

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own organization in the United States, no Americans, and none within the authority or scope of responsibility of this committee.

Mr. WALTER. Well, now, General, in that regard I would like to call your attention to the fact that we have given to your organization free access to the files of our committee.

General SMITH. Indeed you have.

Mr. WALTER. And when you made this statement, it disturbed all of us, because we don't let just anybody look at our files, and more than that, I was disturbed because I happen to be chairman of the Immigration Committee, and in that position I have cooperated with your organization on many occasions, and you know what I am talking about.

So I think that we are entitled to know why you stated under oath: I believe there are Communists in my own organization.

General SMITH. Certainly, Congressman, I will reply in this way: I believe so because in the past we have from time to time discovered one or two, and I believe that in the future we will from time to time discover them, but as I said, none in the United States, no Americans, and none within the scope of interest or responsibility of this committee.

You will remember, please, that I have no responsibility inside the United States, and no internal security responsibility in the United States, and am prohibited by law from exercising any of those functions. I trust that you will not ask me to elaborate further in open hearing about it, and I would be extremely happy to elaborate at considerable extent if you will go into executive session later.

Mr. WALTER. So that, as far as you know, there are no Communists in your organization in the United States?

General SMITH. Indeed, yes, Congressman; and I believe, since this thing has been exaggerated, it might be profitable to the committee, with which as you know we have worked closely in the past, to tell you how we screen our own personnel. It is rather interesting.

Mr. WOOD. I believe the committee would be interested to know that at this point, General, if you don't mind pursuing the subject to developing it a little further for us.

General SMITH. Yes, indeed.

Mr. WOOD. Proceed.

General SMITH. I went over it very carefully, myself. The figures are rather illuminating.

Of the applications which we receive, and I will have to talk to you on the basis of percentages, 80 percent are screened out by our personnel people. Let us take the arbitrary figure of 1,000. Of every 1,000 applications, 80 percent or a little more are eliminated by our personnel people. The remaining 20 percent are turned over to our security agencies for investigation, my own, and the Federal Bureau of Investigation.

Of the remaining 20 percent, 11 percent are eliminated as a result of security investigations. That does not mean that the individuals themselves are suspects. It does mean that security considerations of one kind or another are considered and they include a very wide spectrum, from those individuals who may have relatives behind the iron curtain and who are thus susceptible to pressure, to those individuals who may drink a little bit, or talk a little bit. Eleven percent

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are screened out, and of that 11 percent 4 percent are screened out for really genuine security reasons, that is, people who have contacts which we consider render them undesirable for a sensitive service.

You can see what the residue is. Those are the people that we employ. I should like to emphasize, however, that one of the penalties of serving with an agency of this kind is that you are never cleared. You recognize when you join us that you are constantly going to be under investigation, and that you are never relieved of suspicion, even though it be only suspicion of possible indiscretion.

With that very careful screening, we feel that we are relatively pretty thoroughly secure in the United States. Since our responsibilities are outside of the United States, we do not there enjoy that security. There is only one organization or two among the security agencies of Government which is happily in that position. I should say the FBI is almost entirely penetration proof. They employ only Americans and they operate only in the United States.

Mr. VELDE. General, let me say that I do appreciate that last statement you made. I am a former FBI agent myself. I appreciate very much the sensitive position that you are in at the present time, and I do believe that you are doing a remarkable job in screening the Communists and other subversives from your own organization as well as the work you do in combating world-wide espionage. I would like to ask you relative to the Presidential edict which prevents you from giving any of your files or information to any Member of Congress or any congressional committee without the President's approval—how do you construe that?

General SMITH. That applies only to direct loyalty investigations. The Presidential edict is that if in a direct loyalty investigation of an individual or in connection therewith, subpoena should be issued for records or files, it would be referred to the President who, presumably if it were justified, would authorize the proper authorities to be shown the files. A case has recently arisen of suspicion of an individual in my own agency, Senator McCarran's committee was interested in.

Mr. VELDE. Would you tell us the name of that individual at the present time?

General SMITH. The officer or the gentleman's name was Dr. Odarenko. He has been investigated and reinvestigated so many times that I think he is black and blue. I was called on by a Member of Congress for the records in the case of Dr. Todos M. Odarenko, not formally, but simply by letter.

Mr. VELDE. What type of position does he hold in your office?

General SMITH. He does some scientific work in connection with electronics. I did not release the files. I offered to make them available within the agency to the Member of Congress who wrote for them, since they are part of our security files, and when that was not satisfactory I personally carried the files down and showed them to Senator McCarran. That was done informally. Congressman, and I thought we have an obligation to that committee as well as your committee.

Mr. VELDE. I certainly appreciate your cooperation in that regard, and I would like to ask you whether you are acquainted with Colonel Allen of the Signal Corps Intelligence.

General SMITH. Not personally.

Mr. VELDE. You do know that he has made some complaints concerning communism and Communist infiltration into the Signal Corps Intelligence?

General SMITH. Yes; I do.

Mr. VELDE. Do you happen to have a file in which Colonel Allen and James Webb, who I believe is a civilian employee attached to the Signal Corps Intelligence, with you at the present time?

General SMITH. No, Congressman; I do not have that file with me. I have seen that file.

Mr. VELDE. Does our staff have that file?

Mr. NIXON. We have the file concerning complaints.

General SMITH. I have some notes in connection with the case. I have seen the file but, since it related to a problem of internal security, I took no action on it except to invite the attention of those authorities who are responsible for internal security to the situation which appeared to exist, and then proceeded again to investigate Dr. Odarenko and have FBI reinvestigate him.

Mr. VELDE. As I understand it, General, this complaint by Colonel Allen concerned Dr. Odarenko.

General SMITH. Among a good many others.

Mr. VELDE. And Dr. Odarenko was previously attached to the Signal Corps Intelligence?

General SMITH. Yes, Congressman.

Mr. VELDE. When did Dr. Odarenko become attached to your branch of the Intelligence?

General SMITH. May I consult some notes?

Mr. VELDE. Yes.

General SMITH. May I read from my notes, Mr. Chairman?

Mr. WOOD. Yes.

General SMITH. Dr. Odarenko is a 25-year-old Russian-born naturalized citizen who applied for Government employment in 1949 and was employed by the Army. The Federal Bureau of Investigation was requested to conduct an investigation of Dr. Odarenko and completed it in August of 1949.

In October of 1949 his employment was approved and he entered on duty as an electronics engineer. He came to us shortly thereafter. On the 31st of July 1950, following our policy, he voluntarily submitted to a polygraph interview, that is, a lie-detector test, in which special attention was given to questions concerning any of his extra-curricular or Communist affiliations and similar support of or sympathies with a foreign power. The interview was favorable to the subject.

About this time we received information of certain anonymous charges which appeared to emanate from a clique of former co-employees in the Signal Corps. I may say, parenthetically, that those charges emanated from one faction of a group which has been under surveillance for a considerable period of time. It is not that there was any suspicion of Communist affiliations, but because there was grave concern about the general stability of some of the individuals.

These charges have continued sporadically from this same group from 1950 through January of 1952. They have been based on allegations that Dr. Odarenko might be a Communist and have Communist associates. He was reinvestigated twice by our own security

agencies and no corroborative evidence has ever been provided. However, incident to these charges, the Federal Bureau of Investigation made a second and very complete investigation from October 1950 to February of 1951, and again furnished a further supplemental report in March of 1951.

In October of 1951 the Central Intelligence Agency security staff made further investigations and the Army supplemented this by detailed inquiry into their own personnel.

In January 1952, and as a result of the four complete investigations and careful analysis of all information obtained, both the Central Intelligence Agency and the Army came to the conclusion that the allegations were unfounded and were based on personal friction and ill-feeling developed in an interoffice feud.

Dr. Odarenko is still in our employ, and we have seen no reason for terminating his employment.

Mr. VELDE. Do you feel that Dr. Odarenko is perfectly loyal as far as his work is concerned?

General SMITH. I do, Congressman.

Mr. VELDE. And that there is nothing in his affiliations with any of the Communist-front groups or anything of that sort that would make him at this time disloyal?

General SMITH. I do.

Mr. VELDE. I believe, of course, and I trust your opinion a great deal, but I do believe, Mr. Chairman, that Colonel Allen should have an opportunity to appear before this committee, and I don't think at this time that I would be willing to hear him due to the fact that I am in a campaign, and I think a couple of others on this committee are in campaigns, but I do ask that before the year is over that Colonel Allen may have an opportunity to appear before this committee and tell what he knows about communism and subversives in the Signal Corps Intelligence, as well as the CIA.

Mr. WOOD. The committee members interrupted counsel awhile ago and have taken some time, and will counsel proceed now with further investigation of the witness?

Mr. TAVENNER. Possibly the record should be corrected to show that the name of the alien to whom you refer was Col. Ollie J. Allen.

Mr. VELDE. How do you spell the first name?

Mr. TAVENNER. O-l-l-i-e. Is that correct?

General SMITH. I don't know; as I said before, I glanced only at the copy of the report which came to my attention, and noted that one individual in my agency was included in a long list of allegations, and turned the information that I had over to those authorities who are responsible for internal security and then proceeded to reinvestigate the devoted Dr. Odarenko.

Mr. TAVENNER. General Smith, at the time the complaint was made against Dr. Odarenko were other persons included in the complaint and then later became employed in your agency?

General SMITH. Not to my knowledge.

Mr. TAVENNER. Now, Mr. Chairman, I will continue with the reading of the testimony. The last answer given by you, or the last question and answer, I think I should reread:

Answer. I do. I believe there are Communists in my own organization.

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Question. Do you know them?

Answer. I do not. I wish I did. I do everything I can to detect them, but I am morally certain, since you are asking the question, that there are. I believe that they are so adroit and adept that they have infiltrated practically every security organization of Government in one way or another. And it is our function to detect them where possible.

I read further from the testimony of Senator Benton:

There is no doubt that Communists did infiltrate in the State Department and this was well known in 1945?

Question. Do you agree with that?

Answer. I would be inclined to think it is true.

General Smith, you were partially asked one question that I wanted to ask you. What is the responsibility of your agency in ascertaining whether or not there has been Communist infiltration in other security organizations of the Government, besides your own?

General SMITH. Within the United States, none.

Mr. TAVENNER. What organizations of the Government in the United States did you have reference to when you said:

I believe that they are so adroit and adept that they have infiltrated practically every security organization of Government.

General SMITH. In a general way, and I do not wish to be specific in open hearing, those organizations of Government which have functions similar to my own, that is, the collection of information, the intelligence agencies of Government, with the one exception, as I previously stated, of the FBI. That does not have to employ foreigners, and it can exclusively operate within the United States.

Mr. VELDE. General, may I interrupt you, I am not quite clear, Are there any other organizations besides your own attached to the United States Government which investigate or collect information outside of the United States?

General SMITH. Yes, sir; the Army, the Navy, the Air Force, and various others. They are vitally concerned with information of certain kinds outside the United States.

Mr. VELDE. They are not in your jurisdiction?

General SMITH. They are subject to my general coordination, and they are responsible, as I am, however, for their own internal security and are as vulnerable as I am outside the United States to certain types of penetration, and please remember that when I refer to penetration I am referring to espionage, that is to a spy or an agent of the Soviet Government or of one of the governments associated therewith, who in one way or the other, and it does not have to be on a high level, worms his way into an organization for the purpose of collecting information.

Mr. Wood. Proceed with your answer.

General SMITH. That concludes it, I think, sir.

Mr. Wood. I thought you were interrupted.

General SMITH. Does that answer your question, sir?

Mr. TAVENNER. Not entirely, sir. You have talked about Government security agencies abroad, but your statement as recorded in the transcript of the testimony did not limit it, limit your answer to security agencies abroad. Your testimony was [reading]:

I believe they are so adroit and adept that they have infiltrated practically every security organization of Government.

Now, I would like to know what security organizations of Government within the United States you had reference to, specifically.

General SMITH. None. My responsibilities are all abroad, and my knowledge is restricted to what goes on abroad.

Mr. TAVENNER. But that is not what you said in your testimony, and you did not limit it to activities abroad, and so as the testimony stands on the record it is an indictment of every security Government agency in the land, or every Government security organization in the land.

General SMITH. I did not delimit it, Mr. Counsel, and I don't think that it should be taken as an indictment by anybody who is familiar with the law and with the limitations of my own responsibility. Those are very clear.

Mr. WALTER. We are familiar with the law, but what we want to know is what you meant when you made this very plain statement.

General SMITH. Exactly that.

Mr. WALTER. And more than that, I would like to know whether or not you felt that there had been a penetration into this committee.

General SMITH. I meant exactly what I said, Congressman.

Mr. WALTER. You said that they have infiltrated practically every security organization of the Government in one way or another.

General SMITH. That is exactly what I meant. I have made certain exceptions, but remember, please, that when I talk, I talk about the operations with which I am familiar.

Mr. WALTER. Well, one day, but then on another day you talk about something else.

General SMITH. I answered a question, Mr. Chairman, and Mr. Congressman, and I answered it to the best of my ability and elaborated as rapidly as I could.

Mr. WALTER. Well, on the 29th of September, you said one thing, and on the 30th you said something else. What you said on the 29th stirred this committee, for the reasons I have already given you. Now, as I understand your testimony, you base this statement [reading]:

I believe there are Communists in my own organization; there are Communists in the State Department—

on the fact that you know of two Communists in the State Department, and you don't know of one in your organization in the United States, and that is the basis for this statement?

General SMITH. Have I allayed your disturbance?

Mr. WALTER. You haven't allayed my disturbance. I am disturbed because you happen to be occupying the position you are occupying, General, to be brutally and perfectly frank.

Mr. Wood. Any further questions?

Mr. TAVENNER. May I put the question this way: What basis did you have for stating that the Communists had infiltrated every security organization of Government in one way or another?

General SMITH. I think that it is inevitable that in one way or another at some time or another there must be a penetration within practically all of our security agencies who are obliged to deal with people of a certain type.

You are asking me to go into methods which I would be happy to do in a closed session, but aside from that all I can say is that I have observed what they have been able to do elsewhere, and I am conscious

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and I know what they have been able to do in the past, let us say, in Canada, in the United States itself, as you will note from the records of the Federal Bureau of Investigation, in Japan, and in Germany.

Those two latter countries were once where the security police did not operate under the limitations of law and decency and regard for human rights that we do in this country, and yet they were phenomenally successful, and so it would be very foolish and very fatuous of us to assume that somewhere we do not have a penetration. I believe that all of my colleagues in the intelligence community so assume and so act.

Mr. WALTER. That is exactly what you meant on the 29th of September, and you assumed and presumed that there had been an infiltration and that was merely an assumption based on nothing more than the history of the past.

General SMITH. A little more than that.

Mr. WALTER. Plus the two cases that you know of in the State Department.

General SMITH. A little more than that. As I have told you, Congressman, we have turned up abroad people within our own organization, and there are other organizations like my own which operate abroad and which operate under the same difficulties, and the same limitations, and which are obliged to employ the same type of personnel.

Mr. VELDE. As far as I am concerned, I am going to assume just like you do, because I know that from the past there have been infiltrations into the various security services. You take the OSS, for instance, I don't know whether you heard of Sterling Hayden or not.

General SMITH. Indeed I have.

Mr. VELDE. Sterling Hayden came before this committee, and he testified that he was a member of the Communist Party, at the time he was in the OSS, and certainly we can assume that if a gentleman of that standing would come in and say that he was a member of the Communist Party, that there are others, too, who have been in the services, and who will attempt to get into the services in the future, and I thoroughly agree with General Smith in his statement.

General SMITH. May I make a perfectly gratuitous statement at this point?

Mr. Wood. Yes, sir; we would be delighted to have it.

General SMITH. I am not political, and I have no political affiliations, and I have no political leanings. I am conscious of the fact that this, perfectly honest, to my mind, statement made under oath, and under very limited conditions, has been at certain levels used politically. Now, I would like to say this: Any future President, Democratic or Republican, is going to have to work with the same agencies that are now engaged in the problem of eliminating the Communist menace. Any future administration, Democratic or Republican, is going to encounter the same difficulties.

I know both the Presidential candidates and I have the most profound respect for the integrity and character and ability of both of them. If either one of them does as well as President Truman has done in supporting and encouraging the activities of the security agencies of this Government, then the American people will be able to congratulate themselves and will have nothing to worry about.

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Mr. Wood. I appreciate that statement, and the sentiment behind it. I hope, also, that you may be cognizant of the very deep concern the members of this committee felt when they read in the press the statement attributed to you to the effect that to your knowledge, practically every agency of this Government had been infiltrated by Communists and their agents. I understand now, from what you say here, that when you made those statements that, for instance:

I would agree that there are Communists in the State Department— you predicate that on the two instances that you detailed to this committee.

General SMITH. I certainly know of two, Mr. Chairman, and it will be inevitable that in the years to come from time to time at some levels they will be picked up, one or another, because we have a long pull ahead of us.

Mr. Wood. I don't think that that statement was so disturbing as the further statement that—

I believe there are Communists in my own organization, and that is a direct quote from your testimony. That statement did not seek to limit what it embraced to the United States alone, and it just said:

I believe there are Communists in my own organization. That was a most disturbing statement to me. I understand now that you say, and it is your contention, that that is what you intended to convey then, that you knew of none in the United States but that you believed there were some at other places; is that correct?

General SMITH. Well, you know what my organization is, Mr. Chairman, and you and the members of your committee are experienced and knowledgeable in this matter, and you have dealt with us for a long time, and you know what our purpose is, and you know how we operate, and you know what our objectives are.

Mr. Wood. I understand, sir, but you did not undertake to limit it, notwithstanding the fact that your organization operates only in foreign fields, many of your personnel are in the United States, and are United States citizens.

General SMITH. Yes.

Mr. Wood. And don't you agree now that it would be a disturbing thing if the American people were to become convinced of the fact that you yourself believed that right here in our midst that your organization is infiltrated with Communists, and wouldn't it be a disturbing sort of situation?

General SMITH. Yes, indeed it would; and that is one of the reasons why I was glad to come here today. In justice to myself, now, you must recall that immediately after this hearing, to those members of the press who wished to remain, this was pretty thoroughly explained. One or two did not wish to remain and left. Immediately afterward, the following day, as a matter of fact, I got a group of editors, owners, and so forth, and amplified it pretty thoroughly. Regrettably, not all of that amplification was published, because, as the reader will recall, this is a political year and he understood that it is inevitable that any statement by a member of the administration is going to be taken out of context and exploited for political purposes. Many of the things that I have told you today have been given

publicly but have not been printed. That is why I would like to get this record straight.

Mr. VELDE. General—

Mr. Wood. I would like to ask you one further question. Categorically, General Smith, now in clarification of that portion of your answer as to whether or not you know of any Communists in your own organization, in which you state that they are so adroit and adept that they have infiltrated practically every security agency of the Government in one way or another—categorically, do you now say that you don't know of any security organization in America that has a Communist in it today, or that you do?

General SMITH. That has one today?

Mr. WOOD. Yes.

General SMITH. Categorically, no; because if I did, I would put my finger on him instantly, and he would be eliminated. But I would certainly, Mr. Chairman, be foolishly complacent if I acted on any other assumption than that some were there.

Mr. Wood. I understand, vigilance, eternal vigilance is the only hope we have of security anyway in a democracy, but by stating that, that you believe they are so adroit and adept that they have infiltrated practically every security agency of the Government, do you now say that you had no basis for that belief or that you believe it because of the fact that you think they are as smart as we are and can get into the organizations without being known? Now, which do you base it on?

General SMITH. You know, sir, that we have from time to time discovered them.

Mr. WOOD. Yes.

General SMITH. And I from time to time discover them in my own activities in various places, which I would prefer not to discuss in open hearing. While we constantly work to perfect our defensive mechanism, it is inevitable that we will continue from time to time to discover them, and I cannot categorically say that there are none. My assumption would be that somewhere in some level there probably is an agent.

Mr. WOOD. That is the basis for your statement then that you believe that they are so adroit that they have infiltrated every security agency?

General SMITH. That is one.

Mr. WOOD. Is that all?

General SMITH. The other is observation of what they have done and what they are doing elsewhere. That is with friendly governments and abroad. What they can do for instance in Japan and under the Japanese thought control and secret police system, and what they could do in Germany under the Nazi system of police control, they undoubtedly will be able to do elsewhere.

Mr. WOOD. All right, sir, then do I understand that your statement:

I believe that they are so adroit they have been able to infiltrate—

is predicated on pure theory?

General SMITH. No; it is predicated upon pure theory and past performance.

Mr. WOOD. Take them both, does the

General SMITH. That covers it, yes; because certainly as I have said, if I knew where there was one specifically today, I would certainly produce him.

Mr. VELDE. Mr. Chairman, if we today here have taken just one term out of context, that is one answer that General Smith made in his deposition, that is, when he was asked:

So you believe with the Senator that there were Communists in the State Department of the United States?

and the answer was:

I do. I believe there are Communists in my own organization.

And now we have just questioned the general on that one statement. But right in the deposition he goes on to say, after a question was asked:

Do you know them?

I do not. I wish I did. I do everything I can to detect them. But I am morally certain that there are.

Certainly that should explain the statement that he believes that there are Communists in his own organization. I just wanted to add that to make the record clear.

General SMITH. Thank you very much, Congressman. That is a correct statement, and I said that I was morally certain that there were.

Mr. WOOD. Do you have any reasons on which you base that statement other than those you have given?

General SMITH. I do not.

Mr. WOOD. Proceed.

Mr. TAVENNER. General Smith, you mentioned the fact that there were two members of the Communist Party within the State Department and one of them was Hiss, who was the other?

General SMITH. As I told you, I was informed by an officer of the State Department that there was one in a minor position, and I know nothing of the name, and if I did I couldn't tell you because as I told you the case is still under investigation.

Mr. TAVENNER. In the course of your statement of September 30, you show that the functioning of your agency is made as secure as possible by compartmentalization of the work. To quote you:

So that no single individual below the very top level is able to gain the whole picture, even though he may obtain part of it.

Do you have a section of your agency known as the Evaluation Section which evaluates the information received, and if so, do you consider it to be the top-level group that you referred to here in this statement?

General SMITH. No; I have no such section.

Mr. TAVENNER. Do you consider those who perform that type of work to be the top-level persons referred to in your statement?

General SMITH. Please tell me what you mean by "evaluation."

Mr. TAVENNER. Persons who would evaluate information which you received. Under the provisions of the act creating the Central Intelligence Agency it is provided that it shall be the duty of the Agency, under the direction of the National Security Council, to correlate and speak of the function of evaluating that information.

General SMITH. I will have to go into a little detail and then ask the chairman to tell me just which of the phases of evaluation you are interested in.

There are, as some of you may know, two sorts of evaluation: First is the evaluation of the source and authenticity of information. That is done by people who secure it, and I don't know myself what the sources of information are, and it is done on a code basis. But let us take, for example, what I am now saying to you, if I am speaking about the Central Intelligence Agency, and using a hypothetical code, it would be evaluated let us say as X-100. That means that it was said by a responsible official who was in charge that it was not a document but that it was a statement which had the authenticity of a document. Beyond that, only the source and the person who receives it and who deals with the source knows who the individual is and what type it is.

There is another form of evaluation which means in fact the assessment of all of the information which flows into Government and the boiling of it down into estimates of what may be the most probable intentions or the capabilities of our enemies. That is done by a committee which consists of the heads of all of the intelligence services of the Government acting under my chairmanship.

That, I believe, is the evaluation function, the way we carry out the evaluation function which you read there. Yes; that is on the top level.

Mr. TAVENNER. I have no further questions, Mr. Chairman.

Mr. WOOD. Mr. Doyle, do you have any questions?

Mr. DOYLE. General, in your statement of September 30 I think that you said that this is not to reflect on the loyalty of our employees or to suggest that any of our security agencies are riddled with Communists, as has been alleged from time to time. In using that term "riddled," as you did in your statement of September 30, are we to understand that even in your own organization, to which you referred, which is the only organization, as I understand it now, that you referred to in the deposition when you said that no doubt there were Communists in your own organization. Do you mean that your own organization is now or ever was riddled in, your judgment, with Communists?

General SMITH. No, Congressman. I thought that I had made that very clear.

Mr. DOYLE. Do you now know of any Government organization of the United States Government which is riddled with Communists?

General SMITH. I thought that that statement stood pretty well by itself.

Mr. DOYLE. Well, I thought it did, too, but you would be surprised out in California where I live, certain newspapers capitalized upon your statement here in the deposition hearing, and they didn't hesitate to, some of them incorrectly, quote you as saying that Government agencies were riddled with Communists.

General SMITH. I don't suppose there is a gentleman on this platform who hasn't been pretty incorrectly quoted at some time or other.

Mr. DOYLE. That is correct. We are used to it.

General SMITH. But since you want—and I appreciate it very much—since you want to set such a record straight, as I indeed do, too, of course not. It would be ridiculous to

told you what I know about the State Department. I have known of two there, one directly and one indirectly, and I think that that is a pretty good score.

Mr. DOYLE. Now, let me pinpoint this question, General: Do I understand then that when you stated in your deposition hearing—

There is no doubt that Communists did infiltrate in the State Department and this was well known in 1945—

do I understand that the number of Communists you knew of in the State Department when you gave this testimony was the Hiss case and one other, and that is all?

General SMITH. I think that you have read Mr. Benton's statement as my own, have you not? Would you mind clearing that up?

Mr. DOYLE. I see. That is Mr. Benton's statement, but in answer to a question—

General SMITH. I said I would be inclined to believe it. Mr. Benton said it, and he was Assistant Secretary of State, and I would not be inclined to disbelieve him. I was testifying in the interest of Senator Benton.

Mr. DOYLE. May I say, preliminary to this one further question, out in California your statement was publicly seized. There were big head lines in certain newspapers, and some of them 3 or 4 inches in height, the print.

General SMITH. They always do things well in California.

Mr. DOYLE. Manifestly for political purposes but nevertheless after that occurred, I, as a member of this committee, the Un-American Activities Committee, was asked very frankly whether or not you referred to the Un-American Activities Committee staff of investigators as possibly an area of Government organization in which there had been infiltration.

General SMITH. I hope you repudiated the allegation.

Mr. DOYLE. Well, of course I did not know what you referred to, very frankly, because I read your statement and it said that practically every security organization in Government was involved.

Mr. VELDE. Are we a security organization?

Mr. DOYLE. While I recognize this committee is not a security organization, I will say to you that generally speaking I think that the American people don't differentiate very much between a security organization of Government and the functioning of this committee. That is my experience. They don't differentiate between the staff of this committee and the staff of the CIA, your organization, or Hoover's organization, or any of them. They figure them all as responsible for this load of investigating.

Now, merely that the record will be straight, and so that the people out West will understand that you did not refer to or have in mind any connection with the Un-American Activities Committee, directly or indirectly, may I ask you if you did?

General SMITH. No, Congressman. I was referring to what within the limit of my own definition means security agency, that is, those which are directly concerned with gathering information and preventing counterespionage. So I did not directly refer to you. I won't give you absolution; you are responsible for your own internal security.

Mr. DOYLE. That is correct, and, of course, when you gave that testimony, according to your answers to our distinguished chairman and our counsel, you only referred to areas outside the United States, of which you have knowledge.

General SMITH. In general, yes.

Mr. DOYLE. I think that is all, Mr. Chairman.

Mr. WOOD. Are there any further questions?

Mr. VELDE. I just wanted to make one point clear.

General, you previously referred to the President's Executive order and also stated that you would be willing to testify before this committee in closed session. I hope that that will be a continuing overture, but I doubt very much whether the committee can handle it in the near future in view of the fact that there are a number of other witnesses called, but could you tell us generally to what you were referring, that couldn't be testified to in open session, but could be testified to in closed session, without mentioning any names?

General SMITH. Yes. I am very glad to do so. As you are aware, the National Security Act of 1947 prohibits me from disclosing the methods of my agency or its sources to any unauthorized persons. This committee is not an unauthorized group, in my own estimate, and the McCarran committee, and as long as I remain in office I will continue to do that. If I were testifying in executive session, I would give you specific reasons why I believe some of the things I believe, and possibly convince Representative Walter that they are not too far-fetched, but I cannot do that in open session. If the committee really wants information which will bear out my beliefs, then I shall be happy to give it, but only in executive session.

Mr. VELDE. Thank you. That is all I have.

Mr. WOOD. Are there any further questions?

Mr. TAVENNER. I have no further questions.

Mr. WOOD. Is there any reason why the witness should not be excused in attendance on this committee unless later called, in executive session?

Mr. TAVENNER. No, sir.

Mr. WOOD. Thank you very much, General. If the committee should meet at some later date, which it probably will, to hear you in executive session, we will arrange to do that in the city of Washington.

General SMITH. Yes. I would be very glad to do that.

Mr. WOOD. You are excused.

The committee will stand in recess for 10 minutes.

(Whereupon a recess was taken, following which the committee continued the hearing on another phase of its investigation—Communist activities in the Philadelphia area.)

X

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DIRECTIVE OF MARCH 13, 1948

(Confidential Status of Employee  
Loyalty Records)

MEMORANDUM TO ALL OFFICERS AND EM-  
PLOYEES IN THE EXECUTIVE BRANCH  
OF THE GOVERNMENT

The efficient and just administration of the Employee Loyalty Program, under Executive Order No. 9835 of March 21, 1947,<sup>1</sup> requires that reports, records, and files relative to the program be preserved in strict confidence. This is necessary in the interest of our national security and welfare, to preserve the confidential character and sources of information furnished, and to protect Government personnel against the dissemination of unfounded or disproved allegations. It is necessary also in order to insure the fair and just disposition of loyalty cases.

For these reasons, and in accordance with the long-established policy that reports rendered by the Federal Bureau of Investigation and other investigative agencies of the executive branch are to be regarded as confidential, all reports, records, and files relative to the loyalty of employees or prospective employees (including reports of such investigative agencies), shall be maintained in confidence, and shall not be transmitted or disclosed except as required in the efficient conduct of business.

Any subpoena or demand or request for information, reports, or files of the nature described, received from sources other than those persons in the executive branch of the Government who are entitled thereto by reason of their official duties, shall be respectfully declined, on the basis of this directive, and the subpoena or demand or other request shall be referred to the Office of the President for such response as the President may determine to be in the public interest in the particular case. There shall be no relaxation of the provisions of this directive except with my express authority.

This directive shall be published in the FEDERAL REGISTER.

HARRY S. TRUMAN

THE WHITE HOUSE  
March 13, 1948.

<sup>1</sup>3 CFR, 1947 Supp.